

BUSINESS MEETING OF THE

MICHIGAN LIQUOR CONTROL COMMISSION

Held: Tuesday, October 15, 2013

Lansing District Office 7150 Harris Drive Lansing MI 48909

Present: Andrew J. Deloney, Chairman

Teri L. Quimby, Commissioner Dennis Olshove, Commissioner

Absent: None

Staff: Kerry Krone, Business Manager

Julie Wendt, Director Executive Services Division Pam Hamilton, Deputy Director of Finance Division

The meeting was called to order by Chairman Deloney at 9:41 a.m., noting a quorum was present.

- I. Moved by Commissioner Olshove, supported by Commissioner Quimby, that the minutes of the Commission meeting of October 1, 2013, be approved as written and presented, motion carried by unanimous vote.
- II. Ms. Hamilton presented the E-Quote reports for product listings in four categories and requested approval of the following:
 - **A.** That the products listed below be granted exceptions to the standard pack size, inasmuch as the items are packaged nationally or meet other exceptions as indicated and be approved for listing in the approved products list effective November 3, 2013:

<u>COMPANY/ADA</u>	<u>PRODUCT</u>	PACK SIZE
A. Hardy/U.S.A. Ltd. (General Wine & Liquor Co.)	750ml Agave Loco Pepper Cured Tequila	6 Bottles
Bacardi U.S.A., Inc.	50ml Bacardi Variety Case #2 PL Rum	60 Bottles
(General Wine & Liquor Co.) Sazerac North America, Inc. (NWS Michigan, Inc.)	50ml 99 Six Flav Counter Displ Schnapps	60 Bottles
Jim Beam Brands Co.	750ml Cruzan Estate Diamond Dark Rum	6 Bottles
(NWS Michigan, Inc.)	750ml Cruzan Estate Diamond Light Rum	6 Bottles

Park Street Imports LLC	1000ml Cana Brava Rum	6 Bottles
(General Wine & Liquor Co.)		
Prichard's Distillery, Inc.	750ml Prichard's Single Malt Whiskey	6 Bottles
(NWS Michigan, Inc.)		
The Patron Spirits Company	50ml Ultimat Vodka	60 Bottles
(NWS Michigan, Inc.)	1750ml Ultimat Vodka	3 Bottles
Serralles USA, LLC	750ml Magus Ice Vodka	6 Bottles
(General Wine & Liquor Co.)		
Diageo Americas, Inc.	750ml Oban 21 yr Scotch	6 Bottles
(NWS Michigan, Inc.)	50ml Smirnoff Flavors Gravity Fd PL	96 Bottles

That the request of Circus Procession, LLC, holder of 2013 Small Distiller license, for addition of the following product to the approved products list with case size exceptions, be approved for listing, effective November 3, 2013; further prior to any sale and distribution of the product through the Commission's spirit distribution system, Circus Procession, LLC, must submit and receive Commission approval for an amended liquor quotation which designates an Authorized Distribution Agent for the product:

<u>PRODUCT</u>	PACK SIZE
375ml Coppercraft Rum	12 Bottles
750ml Coppercraft Rum	6 Bottles
375ml Coppercraft Vodka	12 Bottles
750ml Coppercraft Vodka	6 Bottles

That the request of Uncle John's Fruit House Winery, LLC, holder of 2013 Small Distiller license, for addition of the following product to the approved products list with case size exceptions, be approved for listing, effective November 3, 2013; further prior to any sale and distribution of the product through the Commission's spirit distribution system, Uncle John's Fruit House Winery, LLC, must submit and receive Commission approval for an amended liquor quotation which designates an Authorized Distribution Agent for the product:

<u>PACK SIZE</u>
12 Bottles
12 Bottles
12 Bottles

B. That the following requests for addition of product to the approved products list be approved for listing, effective November 3, 2013:

COMPANY/ADA	PRODUCT	PACK SIZE
Brown-Forman Corporation (General Wine & Liquor Co.)	100ml J Daniels Variety Case	48 Bottles
Constellation Brands, Inc.	375ml Black Velvet Toasted Caramel	24 Bottles
(General Wine & Liquor Co.)	1750ml Black Velvet Toasted Caramel	6 Bottles
MHW Ltd.	750ml Blume Marillen Brandy	12 Bottles
(General Wine & Liquor Co.)	750ml Dolin Genepy Des Alpes	12 Bottles
,	750ml Pear Williams Purkhart Pear Brndy	12 Bottles
Park Street Imports LLC	750ml Voli Lgt Espresso Vanilla Fusion	12 Bottles
(General Wine & Liquor Co.)	1000ml Voli Lgt Espresso Vanilla Fusion	12 Bottles
	50ml Voli Lgt Orange Vanilla Fusion	120 Bottles
	750ml Voli Lgt Orange Vanilla Fusion	12 Bottles
	1000ml Voli Lgt Orange Vanilla Fusion	12 Bottles
	50ml Voli Lgt Raspberry Cocoa Fusion	120 Bottles
	750ml Voli Lgt Raspberry Cocoa Fusion	12 Bottles
	1000ml Voli Lgt Raspberry Cocoa Fusion	12 Bottles
	50ml Voli Light Lemon	120 Bottles
	750ml Voli Light Lemon	12 Bottles
	1000ml Voli Light Lemon	12 Bottles
	750ml Voli Light Original	12 Bottles
	1000ml Voli Light Original	12 Bottles
	50ml Voli Lyte Vodka	120 Bottles
Prichard's Distillery, Inc. (NWS Michigan, Inc.)	750ml Prichard's Tennessee Whiskey	6 Bottles
Western Spirits Beverage Company, LLC (General Wine & Liquor Co.)	750ml Kru 82 Vodka	12 Bottles

C. That the following requests for promotional or special packaging be approved for listing, effective November 3, 2013:

COMPANY/ADA	<u>PRODUCT</u>	PACK SIZE
Bacardi U.S.A., Inc. (General Wine & Liquor Co.)	750ml Bacardi Gold w/50ml DeWars Hny	12 Bottles
Constellation Brands, Inc.	1750ml Bl Velvet w/50ml Bl V Reserve	6 Bottles
(General Wine & Liquor Co.)	750ml Bl Velvet w/50ml Cinnamon Rush	12 Bottles
	1750ml Bl Velvet w/50ml Cinnamon Rush	6 Bottles
Domaine Select Wine Estates LLC	750ml Averna Amaro Siciliamo w/4 Gls	12 Bottles
(General Wine & Liquor Co.)	750ml Averna Cream w/2 Gls	12 Bottles

McCormick Distilling Company, Inc. (General Wine & Liquor Co.)	750ml Tequila Rose w/2 Gls & Game	6 Bottles
New Holland Brewing		
Company, L.L.C. (General Wine & Liquor Co.)	750ml New Holland Beer Barrel w/Gl	12 Bottles
Phillips Products, Co., LLC (General Wine & Liquor Co.)	750ml UV Blue/Wh Cake w/Sht Gls 2 pk	12 Bottles
Moet Hennessy USA, Inc. (NWS Michigan, Inc.)	750ml Grand Marnier Cr w/50ml Gm Cr 750ml Hennessy VSOP w/2-50mls 375ml Hennessy VSOP w/50ml Hen VS	12 Bottles 12 Bottles 12 Bottles
Diageo Americas, Inc. (NWS Michigan, Inc.)	375ml Ciroc Red Berry w/50ml Snp Frost 750ml Smirnoff 80 w/Crystal Lgt Pk 750ml Smirnoff Rasp w/Crystal Lgt Pk	12 Bottles 12 Bottles 12 Bottles

D. That the following requests for deletion of product from the approved products list be approved for delisting, effective November 3, 2013:

COMPANY	PRODUCT	PACK SIZE
Sazerac North America, Inc. (NWS Michigan, Inc.)	50ml 99 Six Flav Counter Displ Schnapps	120 Bottles
Prichard's Distillery, Inc. (NWS Michigan, Inc.)	750ml Prichard's Single Malt Whiskey	12 Bottles
Western Spirits Beverage Company, LLC (General Wine & Liquor Co.)	750ml Kru 82 Vodka	6 Bottles

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the above actions be taken in accordance with the E-Quote reports dated October 9, 2013, motion carried by unanimous vote.

III. Ms. Hamilton presented licensee requests for special price reductions on spirit products in accordance with the provisions of the Commission's Order of September 11, 2012 regarding special price reductions on spirit products, which was effective on January 1, 2013. She advised there were six (6) different licensees requesting price reductions; that 112 product price reductions could be approved; and that there were no product price reductions to be denied.

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the 112 special price reductions be approved as indicated on the attached Approval for Price Reduction on Liquor reports, motion carried by unanimous vote.

IV. Ms. Hamilton presented the report for Delisting of Liquor Codes with Minimal Sales and requested that 394 products listed on the attached sheets, be delisted effective December 29, 2013, per Bulletin No. 2012-09, dated June 5, 2012. She advised this process is carried out biannually for one year sales periods at the end of March and September, to control the number of products contained in the MLCC Price Book. Ms. Hamilton stated the Vendors of Spirits and the Vendor Representatives are contacted via email and by letter that their products are being delisted, and are given the opportunity to demonstrate why their products should continue to be offered in the Price Book.

Moved by Commissioner Olshove, supported by Commissioner Quimby, that the Delisting of Liquor Codes with minimal sales report, be approved as written and presented, motion carried by unanimous vote.

V. Ms. Hamilton requested approval of a bulletin for the submission of quotations for Price List No. 233, which is effective February 4, 2014. She advised this is a quarterly reminder that is sent to Vendors of Spirits and Vendor Representatives to remind them of the deadlines for the next price book.

Moved by Commissioner Olshove, supported by Commissioner Quimby, that Bulletin 2013-08, be approved as written and presented, motion carried by unanimous vote.

VI. Chairman Deloney advised that a request for a declaratory ruling was received from Attorney Peter F. Ewasek on behalf of Holly Foods, Inc. (petitioner) on September 23, 2013 and that the Commission, under administrative rule R 436.1973(1) has 30 days to notify the petitioner whether a declaratory ruling will be issued. Chairman Deloney stated that the petitioner asks the Commission to declare that administrative rule R 436.1133 is not valid because it discriminates against the petitioner in favor of other licensees, the rule exceeds the rule-making authority delegated to the Commission under the Michigan Liquor Control Code of 1998 (Code) and the rule was rescinded by operation of law when the Code was adopted. Chairman Deloney further stated that this request for a declaratory ruling should be considered due to the gravity of the question posed to the Commission.

Motion made by Chairman Deloney to grant the request to issue a declaratory ruling on the validity of R 436.1133 of the Michigan Administrative Code, supported by Commissioner Quimby, motion carried by unanimous vote.

Chairman Deloney announced that under administrative rule R 436.1973(2) the Commission is obligated to issue the declaratory ruling within 90 days which is no

later than December 22, 2013. He invited anyone that wishes to submit written comments for Commission consideration must do so on or before November 19, 2013.

VII. Old Business.

There was no Old Business.

VIII. New Business.

There was no New Business.

IX. Public Comments.

Chairman Deloney advised that the Lansing office of the Commission would be moving from the Secondary Complex to downtown Lansing in Constitution Hall prior to March 1, 2014. He stated that with moving computers, computer systems, and being on a new telephone system with new telephone numbers there may be some service disruptions; however, the Commission is doing everything possible to minimize these disruptions. Chairman Deloney advised that more information will be provided as the Commission moves forward with the relocation.

With no further business, moved by Commissioner Olshove, supported by Commissioner Quimby, that the business meeting be adjourned at 9:58 a.m., motion carried by unanimous vote.

Andrew J. Deloney Chairman